

## Message Text

SECRET

PAGE 01 BUCHAR 01276 011339Z

ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 /026 W  
-----074419 012212Z /73

R 011302Z MAR 78  
FM AMEMBASSY BUCHAREST  
TO SECSTATE WASHDC 8141

S E C R E T BUCHAREST 1276

EXDIS

E.O. 11652: XGDS-1,2  
TAGS: TSPA ACOM RO  
SUBJECT: VIP TELECOMMUNICATIONS SYSTEM

REF: BUCHAREST 1175

1. SCIATT SOUGHT OUT E-SYSTEMS TEAM YESTERDAY IN EFFORT GET DETAILS OF CONTRACT AWARD. TEAM IS HEADING DIRECT TO DALLAS TODAY WITH LETTER OF INTENT FROM ROMANIANS AND MODEL CONTRACT. FOLLOWING HEADQUARTERS APPROVAL, FORMAL APPLICATION FOR EXPORT LICENSE WILL BE FILED. ACCORDING TEAM, CONTRACT BEGINS ON DATE LICENSE RECEIVED. ROMANIANS THEN HAVE 30 DAYS TO MAKE DOWN PAYMENT USING STANDBY LETTER OF CREDIT. TEAM PLANS RETURN HERE MARCH 15 TO BEGIN TECHNICAL WORK AND HOPES HAVE LICENSE IN HAND IN ORDER BEGIN PLACING MATERIAL ORDERS.

2. AS HAS BEEN THEIR APPROACH THROUGHOUT WITH EMBASSY, E-SYSTEMS TEAM MEMBERS WERE CORDIAL BUT VERY GUARDED ABOUT DETAILS OF CONTRACT AND NEGOTIATIONS. WHEN ASKED IF THEY INTENDED TO CHECK IN WITH DEPARTMENT, REPLY WAS THAT THEY WERE UNDER NO INSTRUCTION TO DO SO. SCIATT POINTED OUT THAT THIS WAS NOT STRAIGHT COMMERCIAL TRANSACTION. DEPARTMENT HAD DONE MUCH DELICATE POLITICAL GROUNDWORK, CULMINATING IN UNUSUAL STEP OF ISSUING LETTER GRANTING ADVANCED APPROVAL IN PRINCIPLE FOR EXPORT. WHOLE TRANSACTION REMAINED VERY SENSITIVE AND

SECRET

SECRET

PAGE 02 BUCHAR 01276 011339Z

COULD BE OVERTURNED EVEN NOW IF NOT HANDLED CAREFULLY. HE URGED TEAM TO CONTACT DAS GANLEY FOR GUIDANCE AND ELICITED AGREEMENT THAT TEAM LEADER CAMERON WOULD CALL FROM DALLAS.

3. RETICENCE ON PART OF E-SYSTEMS TEAM IN DEALING WITH EMBASSY, IN CONTRAST TO COLLIN'S LATTA, IS PUZZLING. DESPITE EVEN-HANDED AND HELPFUL APPROACH BY EMBASSY, TEAM SEEMED TO REGARD

US AS COMPETITORS RATHER THAN PARTNERS. WHETHER ROMANIAN SIDE PICKED UP ON THIS AND FACTORED IT INTO THEIR FINAL CHOICE IS NOT KNOWN.

4. FOLLOWING WAS GLEANED BY SCIATT FROM DISCUSSION WITH TEAM:  
--ROMANIANS TOLD E-SYSTEMS TEAM THAT THEY CHOSEN BECAUSE OF THEIR COMPETENCY DURING NEGOTIATIONS AND BECAUSE THEY STUCK IT OUT. PRICE QUOTATIONS BY COLLINS AND E-SYSTEMS WERE SO CLOSE THEY DID NOT FIGURE IN FINAL DECISION.

--DECISION TO CHOOSE E-SYSTEMS NOT UNANIMOUS AT TECHNICAL LEVEL, BUT GEN ZGAVARDICI CARRIED THE DAY.

--E-SYSTEMS HAS AGREED TO PROVIDE TELECOMMUNICATIONS SYSTEM FOR PRESIDENT CEAUSESCU'S ILYUSHIN 62 WHICH WILL BE IDENTICAL TO THAT INSTALLED IN BOEING 707. SOVIET TECHNICIANS TO DO PART OF WORK, ALL OF WHICH MUST BE ACCOMPLISHED IN BUCHAREST. TEAM STATED THIS LAST MINUTE ADD ON AND IT UNDERSTOOD THAT CONTRACT DEPENDENT ON EXPORT LICENSE APPROVAL.

--E-SYSTEMS HAS AGREED TO ACCEPT ROMANIANS FOR TRAINING AT AIRCRAFT WORKSITE. PRECISE CONFIGURATION NOT DISCLOSED, BUT E-SYSTEMS APPARENTLY WILL NOT WORK AIRCRAFT AT GREENVILLE, TEXAS FACILITY.

--E-SYSTEMS APPARENTLY ACCEPTED ROMANIAN DEMAND FOR 100 PER CENT WARRANTY ON PERFORMANCE OF EQUIPMENT AND STIFF PENALTY CLAUSE, BASED ON TACIT UNDERSTANDING THAT THIS FOR HIGHER AUTHORITIES AND TECHNICAL LEVEL FULLY AWARE THIS NOT REALISTIC.

--BELIEVE ALSO THAT E-SYSTEMS HAS AGREED GIVE ROMANIAS  
SECRET

SECRET

PAGE 03 BUCHAR 01276 011339Z

COPY OF EXPORT LICENSE.  
AGGREY

SECRET

NNN

## Message Attributes

**Automatic Decaptoning:** Z  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TELECOMMUNICATION, COMMUNICATION LINES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 01 mar 1978  
**Decaption Date:** 20 Mar 2014  
**Decaption Note:** 25 YEAR REVIEW  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978BUCHAR01276  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** X1  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780094-0544  
**Format:** TEL  
**From:** BUCHAREST  
**Handling Restrictions:**  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1978/newtext/t197803121/aaaadyvm.tel  
**Line Count:** 96  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** afd2d1ba-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION SS  
**Original Classification:** SECRET  
**Original Handling Restrictions:** EXDIS  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** SECRET  
**Previous Handling Restrictions:** EXDIS  
**Reference:** 78 BUCHAREST 1175  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 26 apr 2005  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 3161440  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** VIP TELECOMMUNICATIONS SYSTEM  
**TAGS:** TSPA, ACOM, RO  
**To:** STATE  
**Type:** TE  
**vdkvgwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/afd2d1ba-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014